



**DEAR SHAREHOLDERS,**

**WITH A CLEAR VISION AND DISCIPLINED EXECUTION, WE ARE STRENGTHENING CGC'S ROLE AS A CATALYST FOR THE GROWTH OF MALAYSIAN MSMEs, WHILE SIMULTANEOUSLY ENHANCING OUR INTERNAL COMPETENCIES AND DIGITAL ECOSYSTEM TO MEET FUTURE NEEDS. HARMONISING GROWTH WITH RESPONSIBILITY, WE REMAIN EQUALLY COMMITTED TO NURTURING OUR PEOPLE AND INTEGRATING SUSTAINABILITY INTO OUR OPERATIONS.**



**DATO' MOHAMMED HUSSEIN**  
Chairman



# CHAIRMAN'S STATEMENT

## LEADING FROM CHALLENGES TOWARDS CONFIDENCE

As a development financial institution (DFI) dedicated to the growth and development of MSMEs, we are always conscious of our countercyclical role. During and after the pandemic, when the economy was struggling and MSMEs faced unprecedented challenges, it was our responsibility to provide vital financial lifelines to ensure their survival and recovery. We went beyond extending moratoriums, offering additional credit and support that enabled businesses to sustain operations and rebuild their businesses.

This proactive approach reflects our long-term strategy to be more than just a financing facilitator, but also a holistic partner for MSMEs. By integrating targeted development initiatives with financial solutions, we play an important role in helping businesses to adapt to an evolving marketplace.

For us, this is a key component of sustainability – creating a state of readiness for the future. As we reflect on the results achieved in 2024, it is encouraging to see that many MSMEs have managed to turn the corner, rebuild their businesses and expand into new areas.

90%

OF OUR 5SP 2025 HEADLINE  
TARGET IN DEVELOPMENTAL  
SUPPORT ACHIEVED BY THE  
END OF 2024

We are also helping businesses embrace digitalisation to make financing more accessible and seamless, enabling both MSMEs and other unserved and underserved businesses to scale, innovate, and contribute to a more resilient and dynamic economy. Through tailored credit guarantee solutions, our support is now also being extended to Malaysian Mid-Tier Companies (MTCs).

## CHAIRMAN'S STATEMENT

### UPHOLDING GOOD GOVERNANCE AND OVERSIGHT

Underpinning our efforts is our commitment to robust governance and upholding the highest standards of business conduct, accountability, and transparency. In 2024, we updated our Anti-Bribery and Anti-Corruption Policy and Manual to provide greater clarity to employees on preventing and combating bribery and corruption. Further to this, we instituted a No Gift Policy and a formal Whistleblowing Policy, offering employees and external parties a secure avenue to report any genuine concerns regarding improper conduct within the Corporation.

We have also strengthened Anti-Money Laundering (AML) procedures, refining our screening and onboarding processes to enhance due diligence. Additionally, our risk governance structure now includes more granular reporting to the Board Risk Committee, ensuring that specific risks are monitored and addressed separately.

In line with our focus on technology risk management, we conducted a Cybersecurity Maturity Assessment (CMA) in 2024 to assess existing gaps and improve our security framework. We also incorporated Risk Management in Technology (RMiT) standards into our Technology Cyber Risk Management Framework, which was revised from the previous Technology Risk Management Framework, to reflect a more comprehensive approach to cybersecurity and digital risk oversight.

Aligned with our expansion into the MTC segment, we revised our credit policies, integrating enhanced ESG considerations and raising the Single Counterparty Exposure Limit (SCEL) to support larger-scale financing opportunities.

Moving forward, we will continue to strengthen our compliance culture through ongoing knowledge-sharing sessions, ensuring both directors and employees remain equipped to navigate evolving regulatory landscapes. At the same time, we will elevate governance competencies to support our strategic growth ambitions, ensuring CGC remains a trusted and responsible DFI aligning to Bank Negara Malaysia's compliance requirements.

### MANAGING RISKS AND CAPITALISING ON OPPORTUNITIES

We remain vigilant in assessing industry trends, mitigating market challenges, and capitalising on emerging opportunities.

A key recent initiative was the enhancement of our pricing strategy through the introduction of a dynamic pricing structure. Products are now grouped into Commercial, Targeted and Developmental segments. This approach enables us to strike a balance between financial sustainability and our developmental role. The goal is to leverage the profitability generated from Commercial products to support more affordable guarantee pricing for underserved MSME segments, reinforcing our commitment to inclusive support across all life stages.

Our enhanced risk assessment and pricing models ensure that our pricing aligns more closely with customer risk profiles. We have also introduced stricter evaluation and monitoring of partner banks with higher NPF/L ratios, strengthening oversight and mitigating exposure to high-risk financing. Additionally, our product grouping strategy allows us to provide tailored financing solutions that better meet their specific needs.

At the same time, we continue to strengthen partnerships with Financial Institutions and DFIs by offering value-added services such as workshops and capacity-building programmes for MSMEs. These initiatives aim to enhance their business and financial competencies, reducing delinquency rates and improving long-term financial sustainability.

Leveraging on big data analytics, we will further enhance our credit scoring models for more precise risk assessments and optimised pricing strategies. At the same time, strategic fintech partnerships will enable us to reach underserved MSMEs digitally, reducing distribution costs while expanding financial accessibility.

With these efforts, we believe CGC is better-positioned to capitalise on emerging opportunities, including within sectors such as green technology businesses and women or youth-led enterprises.



WE CONTINUE TO STRENGTHEN PARTNERSHIPS WITH FINANCIAL INSTITUTIONS AND DFIS BY OFFERING VALUE-ADDED SERVICES SUCH AS WORKSHOPS AND CAPACITY-BUILDING PROGRAMMES FOR MSMEs. THESE INITIATIVES AIM TO ENHANCE THEIR BUSINESS AND FINANCIAL COMPETENCIES, REDUCING DELINQUENCY RATES AND IMPROVING LONG-TERM FINANCIAL SUSTAINABILITY.

#### BOARD FOCUS AREAS IN 2024

Taking both internal strategies and external factors into account, the Board prioritised key aspects of the business during 2024 to ensure sustained progress and impact. A primary focus was driving the delivery of the Group's mandate and strategic targets. On this note, I am pleased to report that by the end of 2024, we had already reached 90% of our 2025 target for providing developmental support to MSMEs.

Strategic collaborations were another key focus area. By leveraging partnerships, we strengthened our ability to provide a broader range of financial solutions and developmental initiatives tailored to business needs. A prime example is our three-year Memorandum of Understanding (MoU) signed with the Securities Commission, which will play an important role in expanding MSME access to capital markets.

Digitalisation remained a central focus area, directly complementing our partnership-driven approach. Leveraging the increasing functionality of our digital platforms, we have steadily expanded MSMEs' access to financing while simultaneously striking important digitally-driven partnerships to enhance our services and processes. A notable example is our work with MITI to integrate grant management within imSME, which will ultimately streamline all government grants onto our platform to enhance the accessibility and transparency of government grant processes.

As part of our strategic business expansion, we sought to diversify our portfolio and tap into high-growth or previously underserved segments. This included expanding financing solutions for MTCs, gig economy workers, and ESG-linked financing, ensuring our offerings remain relevant and aligned with national economic and sustainability goals.

Lastly, recognising that our internal capabilities must evolve alongside our strategic ambitions, we placed importance in driving internal advancement. We intensified training and leadership programmes to strengthen expertise at all levels, focusing on upskilling and reskilling our workforce. Additionally, we conducted a review of our Board tenure and competency policy, allowing for new perspectives to enhance governance, while the introduction of new members within management teams has similarly admitted fresh and innovative insights into our organisation. By future-proofing our talents, we ensure that CGC remains resilient in an ever-changing financial landscape and retains the ability to thrive and lead the industry.

Looking ahead, we remain committed to supporting MSME growth as we work towards concluding our 5-Year Strategic Plan 2021-2025 while laying the foundation for CGC Group 2030, our new five-year plan set to commence in 2026.

In 2025, our approach will be anchored in four key focus areas: Expanding Offerings, Elevating Innovation and Operational Efficiency, Nurturing People's Capacity, and Mitigating Group Climate Impact. These priorities ensure a comprehensive and balanced strategy, addressing both internal business needs and external market developments to drive operational resilience and sustainable growth across our business.

## CHAIRMAN'S STATEMENT



Launch of CGC100 Fast Track Programme – Cohort 2.

### GIVING BACK TO THE COMMUNITY

In 2024, we continued our commitment to corporate social responsibility (CSR) through 19 programmes and donation initiatives, benefitting over 7,000 individuals.

The CG100 Youth Entrepreneurship Development Programme remains one of our key initiatives, providing aspiring entrepreneurs with support, resources, and training to build successful businesses. Now in its third year, the CG100 programme continues to be a pillar of our community impact efforts, delivering benefits to participants while contributing to broader socioeconomic progress.

**ASSISTED OVER  
7,000  
INDIVIDUALS  
THROUGH 19 CSR AND  
DONATION INITIATIVES**

Beyond our mandate of serving MSMEs, we extended our outreach by providing fresh groceries to underprivileged families. This initiative supported sustainable farming and food waste reduction by sourcing surplus produce from local farmers, promoting food security and healthier communities. Additionally, through our “Back to School” assistance programme, we distributed 100 school kits to children from low-income families, ensuring they had access to essential educational supplies.

We also played an active role in disaster relief, providing critical aid to flood-affected families during the year. Our impact further extended to the visual and hearing-impaired community, where we provided tailored support and resources to improve their quality of life.

These initiatives reinforce CGC's commitment to embedding social responsibility into our business, ensuring that our efforts generate long-term, meaningful impact for the communities we serve.

## AWARDS AND RECOGNITIONS

In 2024, CGC's commitment to excellence was recognised through multiple prestigious awards, reflecting our superior reporting practices and desirability as an employer. These accolades affirm our dedication to transparency, innovation, and fostering a thriving workplace culture, while reinforcing our position as a top employer and a trusted financial institution.

### AWARD



- **NACRA 2024**  
**Excellence Award** (Non-Listed Organisation):  
**Silver**
- **Graduan**  
**2<sup>nd</sup> Runner-Up** in the Professional Services  
Category
- **Jobstore.com**  
**Top Employer Award of the Year**  
– Public Sector (Financial Services)  
**Top Employer of Graduate Choice** – Public  
Sector (Financial Services)  
**Top Recruitment Team of the Year** – Public  
Sector (Financial Services)
- **Jobstore.com (Individual Award)**  
**Top HR Leader Award 2024**
- **Malaysia's 100 Leading Graduate Employers  
2024**  
**Winner** – Financial Services Category
- **SEEK People and Purpose Awards 2024**  
**The People Leader of the Year 2024 (Gold)**  
– (Individual Award)



36<sup>th</sup> ACSIC Conference (Nepal) – Meeting with KODIT.

## ACKNOWLEDGEMENTS

On behalf of the Board and Management, I would like to express my gratitude to the Ministry of Finance and Bank Negara Malaysia for their continued support. Our close collaboration with stakeholders and strategic partners within the MSME ecosystem has resulted in CGC's accomplishments in 2024. Despite a demanding year, their collaboration has helped us stay focused on achieving our mandate.

My appreciation goes to Datuk Mohd Zamree Mohd Ishak, President & Chief Executive Officer of CGC, and the management team for their steadfast commitment. Their efforts, alongside the dedication of all CGC employees, have helped us accelerate towards greater progress and stability in the years ahead.

To my fellow Board members, thank you for your continued support and counsel. As we move forward, I believe our shared resilience and clarity of purpose will help us shift from navigating challenges towards inspiring confidence for CGC and the ecosystem that we serve.

### DATO' MOHAMMED HUSSEIN

Chairman